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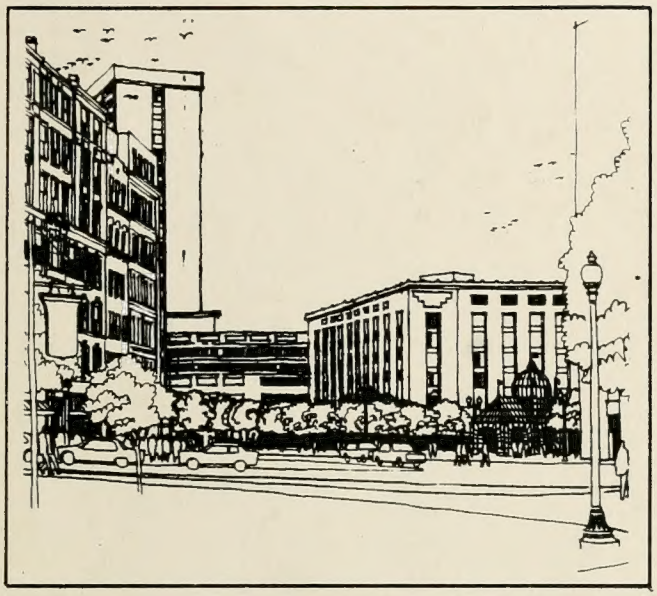

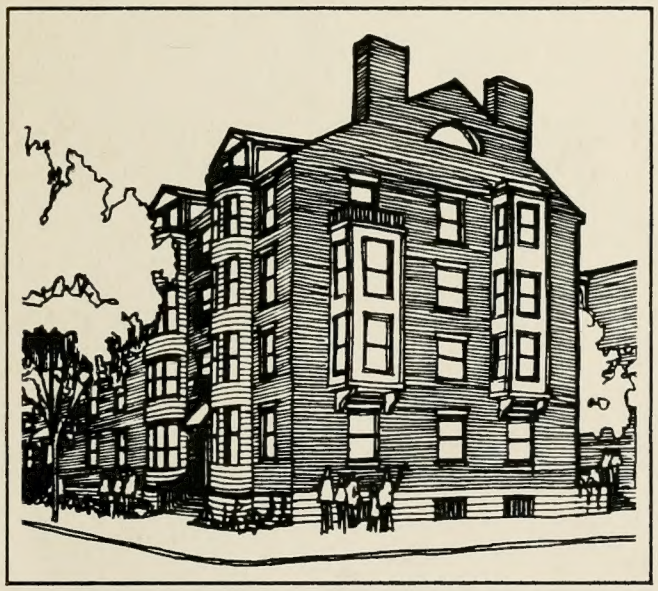

PARCEL TO PARCEL LINKAGE

2

PROJECT PARK SQUARE AND TRANSITIONAL HOUSING

INFORMATION KIT

CITY OF BOSTON
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Mayor

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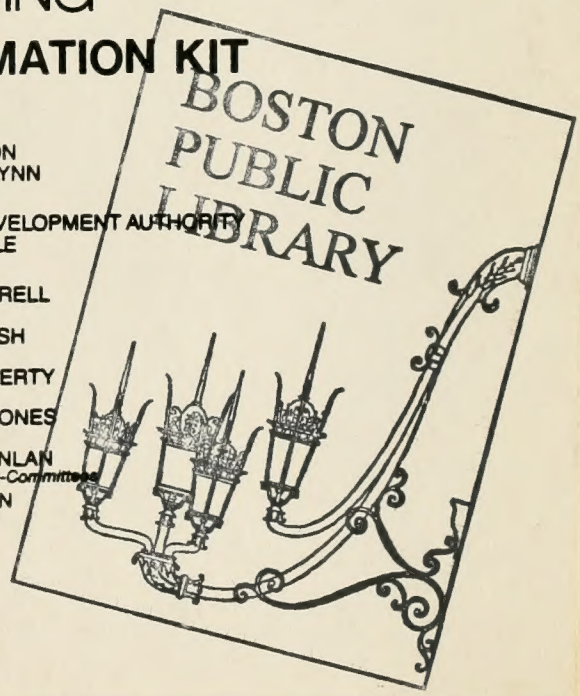

9/15/89.

MODEL: psrbra01
PROJECT: THE SOUTH PARK PARTNERSHIP
LOCATION: Boston, MA
PURPOSE: Pro Forma for Cooperative Housing -- market, transitional and low income
PREPARED BY: Schochet Associates
REVISED: 25-Aug-89
COMMENTS: P R E L I M I N A R Y

COOPERATIVE SCENARIO

Distribution

Jay R. Schochet Asso.
Peter A. Lewis
Pamela G. McDermott
Samuel E. Mintz
Charles Grigsby
Joseph D. Feaster, Jr.

SITE ANALYSIS - SOUTH END

	Area (SF)
City of Boston	57,000
Private Ownership	0
Total Area	57,000
Floor Area Ratio (FAR)	2
Total Buildable Area	114,000

PROJECT DESCRIPTION - SOUTH END

Use	Units	Area Per Unit	Gross Building Area
Residential			
Transitional	52	1,110	57,707
Moderate-income	0	0	0
Market-rate	52	1,059	55,075
Total	104		112,782
Support Services			
Community Services			3,555
Day Care			9,600
Total			13,155
Parking			
Rental	64	375	24,000
Residential	52	375	19,500
Support Services	7	375	2,625
Total	123	375	46,125
Total Building Area			162,462
Total Area w/o Garage			116,337
FAR			2.04

RENTAL BREAKDOWN - SOUTH END

Assumed Building Efficiency Factor 78.33%

Description	Number of Units	Unit Gross Area	Total Gross Area	Unit Net Area	Rent P.s.f.	Rent per Unit	Annual Rent
Market Rate							
One Bedroom	20	829	16,577	642	1.45	930	223,200
Two Bedroom	26	1,171	30,454	908	1.24	1,125	351,000
Three Bedroom	6	1,340	8,043	1,039	1.30	1,350	97,200
Total	52		55,075				671,400
Moderate Income							
One Bedroom	0	0	0	0	0	750	0
Two Bedroom	0	0	0	0	0	875	0
Total	0		0				0
Transitional							
One Bedroom	0	0	0	0	0.00	681	0
Two Bedroom	41	1,043	42,764	808	0.99	803	395,076
Three Bedroom	9	1,309	11,777	1,014	0.99	1,002	108,216
Four Bedroom	2	1,583	3,166	1,227	0.92	1,123	26,952
Total	52		57,707				530,244
Total Units	104	1,084	112,782				1,201,644
Average Units				840			

BRA/626A

11 of 12

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DEVELOPMENT BUDGET - SOUTH END

Description	Total Cost	Cost Per SF of Bldg RC-9 Site	Cost Guides
Soil Removal	250,000	2.15	/Mkt Unit
Construction			
Residential	9,840,214	84.58	87.25 Per SF
Support Services	1,170,795	10.06	89.00 Per SF
Parking	1,586,700	13.64	12,900 Per Space
Subtotal	12,597,709	108.29	
F.F.& E.			
Transitional Units	108,000	0.93	3,000 Per Unit
Transitional Common Area	30,000	0.26	7,500 Per Cluster
Daycare Space	108,000	0.93	1,500 Per Child
Subtotal	246,000	2.11	
Professional Fees			
Architect	629,885	3.88	5.00% Const Cost
Others	251,954	1.55	2.00% Const Cost
Subtotal	881,840	5.43	
Developer Expenses	503,908	3.10	4.00% Const Cost
Legal and Accounting	214,161	1.32	1.70% Const Cost
Bonds, Insurance, and Permits			
Bonds	100,000	0.62	0.79% Const Cost
Insurance	75,000	0.46	0.60% Const Cost
Permits	130,000	0.80	1.03% Const Cost
Subtotal	305,000	1.88	2.42% Const Cost
Marketing and Leasing			
Marketing	188,966	1.16	1.50% Const Cost
Sales Commissions	0	0.00	0.00% Gross Sales
Subtotal	188,966	1.16	1.50% Const Cost
Financial			
Financing Fees	243,511	1.50	2.00% Const Loan
Closing Costs	94,483	0.58	0.75% Const Cost
Real Estate Taxes	45,000	0.28	15,000 Per Year
Subtotal	382,994	2.36	
Transitional Housing Board	25,000	0.15	0.20%
Contingency	881,840	5.43	7.00% Const Cost
Net Development Budget	16,477,417	133.38	
Interim Interest	1,348,560	8.30	7.57% Devel Cost
Total Development Budget	17,825,977	141.68	

STABILIZED OPERATING PRO FORMA - SOUTH END - 1991

Construction Loan Interest	9.25%
Mortgage Interest	9.25%
Assumed Debt Service Coverage	1.10
Assumed Supportable Mortgage	12,175,563

	Total	Unit Guides
Gross Income		
Rental Income	1,201,644	11,554 Per Unit
SHARP & R-DAL	466,445	4,485 Per Unit
Total Gross Income	1,668,089	
Other Income	130,176	
Less: Vacancies (5%)	(60,082)	
Net Income	1,738,183	
Less: Operating Expenses, Utility Allowances & Real Estate Taxes	(416,000)	(4,000)Per Unit
Income Before Debt Serv	1,322,183	
Less: Debt Service	(1,201,984)	
Income After Debt Serv	120,198	

RENTAL INCOME - SOUTH END

	Number Of Units	Avg Rent Per Net SF	Avg Rent Per Unit	Annual Rent
Unit Rentals				
Transitional	52	0.98	850	530,244
Moderate-income	0	0.00	0	0
Market-rate	52	1.30	1,076	671,400
Subtotal	52			1,201,644
Parking Rentals				
Transitional	0		0	0
Moderate-income	0		0	0
Market-rate	52		0	0
Support Services	7		0	0
Rentals	64		1,800	115,200
Sales	0		20,000	
Subtotal	123			115,200
				1,316,844

SOURCES AND USES FINANCIAL SUMMARY	low income	markt/mod
Assumed Annual Rent Increase	4.00%	5.00%
Assumed Annual Exp Increase	5.00%	5.00%
Assumed Annual Tax Increase	5.00%	5.00%

Project Year					1	2	3	4	5	6	7	8	9	10	11	12	13
Calendar Year	Total	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
INCOME AND EXPENSE TRACKING																	
Section 707 1 BR Rents			681	708	737	766	797	829	862	896	932	969	1,008	1,048	1,090	1,134	1,179
Section 707 2 BR Rents			803	835	869	903	939	977	1,016	1,057	1,099	1,143	1,189	1,236	1,286	1,337	1,391
Section 707 3 BR Rents			1,002	1,042	1,084	1,127	1,172	1,219	1,268	1,319	1,371	1,426	1,483	1,543	1,604	1,668	1,735
Section 707 4 BR Rents			1,123	1,168	1,215	1,263	1,314	1,366	1,421	1,478	1,537	1,598	1,662	1,729	1,798	1,870	1,945
Residential Operating Costs			(4,000)	(4,200)	(4,410)	(4,631)	(4,862)	(5,105)	(5,360)	(5,628)	(5,910)	(6,205)	(6,516)	(6,841)	(7,183)	(7,543)	(7,920)
SOURCES OF FUNDS																	
Loan Proceeds	12,175,563	0	3,043,891	9,131,672	0												
Grant from Park Square	4,500,000	0	4,500,000	0	0												
HIF	500,000		0	500,000													
CDAG	375,000		0	375,000													
Kresge Foundation	500,000		0		500,000												
Construction Period Income	200,000	0	0	0	200,000												
Synd. Proceeds (tax credit)	1,000,000	0	333,333	333,333	333,333												
Park Square (endowment)	1,000,000				1,000,000												
BRA (endowment)	1,000,000				1,000,000												
Working Capital	132,276	132,276	0	0	0												
Devlp Fee from Park Square	1,000,000		400,000	600,000													
TOTAL SOURCES	22,382,839	132,276	8,277,224	10,940,005	3,033,333												
USES OF FUNDS																	
Soil Removal	250,000	0	250,000	0	0												
Construction Costs	12,729,548	0	5,091,819	7,637,729	0												
Streetscape Improvements	750,000			750,000													
Non-Construction Expenses	2,747,869	132,276	1,567,341	892,040	156,212												
Interim Interest	1,348,560	0	83,400	691,076	574,084												
THB (endowment)	3,000,000				3,000,000												
Developer Fee	1,000,000	0	400,000	600,000	0												
Return of Working Capital	132,276				132,276												
Project profit/(loss)	424,586	0	884,663	369,160	(829,238)												
TOTAL USES	22,382,839	132,276	8,277,224	10,940,005	3,033,333												
REVENUES																	
Gross Income																	
Rental Income -- market/moderate					335,700	704,370	740,219	777,229	816,091	856,895	899,740	944,727	991,964	1,041,562	1,093,640	1,148,322	1,205,738
Rental Income -- transitional					265,122	551,454	573,512	596,452	620,310	645,123	670,928	697,765	725,676	754,703	784,891	816,286	848,938

6m

SHARP & R-DAL

	233,223	429,997	391,981	352,327	310,965	267,819	222,814	175,866	126,892	75,803	22,507	0	0
Total Gross Income	834,045	1,686,421	1,705,711	1,726,009	1,747,366	1,769,838	1,793,482	1,818,358	1,844,531	1,872,068	1,901,037	1,964,608	2,054,676
Less: Vacancies (5%)	(13,256)	(27,573)	(28,676)	(29,823)	(31,016)	(32,256)	(33,546)	(34,888)	(36,284)	(37,735)	(39,245)	(40,814)	(42,447)
Add: Other Income	65,088	135,383	140,798	146,430	152,288	158,379	164,714	171,303	178,155	185,281	192,692	200,400	208,416
Net Income	885,876	1,794,231	1,817,834	1,842,616	1,868,638	1,895,961	1,924,650	1,954,773	1,986,402	2,019,613	2,054,485	2,124,194	2,220,645
Less: Operating Expenses	(208,000)	(436,800)	(458,640)	(481,572)	(505,651)	(530,933)	(557,480)	(585,354)	(614,621)	(645,353)	(677,620)	(711,501)	(747,076)
Income Before Debt Serv	677,876	1,357,431	1,359,194	1,361,044	1,362,987	1,365,028	1,367,170	1,369,419	1,371,781	1,374,261	1,376,865	1,412,693	1,473,569
Less: Debt Service	(600,992)	(1,201,984)	(1,201,984)	(1,201,984)	(1,201,984)	(1,201,984)	(1,201,984)	(1,201,984)	(1,201,984)	(1,201,984)	(1,201,984)	(1,201,984)	(1,201,984)
Before Tax Cash Flow	76,884	155,447	157,209	159,060	161,003	163,043	165,185	167,435	169,797	172,277	174,880	210,708	271,584

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as of Sept. 1 — had received bank financing since the zoning was approved. In addition, several projects, including the dis- bankruptcy. The China Trade building has yet to turn a profit, more than five years after it was developed by the Bay

ADDING first-class office space on top of a garage is not the typical downtown development. But The Rubin Cos. may

the clouds over Emerson's move to Lawrence have lifted before exploring any purchases, he said.

Money woes stall S. End project

By RALPH RANALLI

THE CONDO crisis in Midtown is having a ripple effects in the South End, where stalled linkage money has put the brakes on a project to house homeless families.

As part of the parcel-to-parcel linkage plan, the Helen Morton Family Center project in the South End was to have received $5.5 million from the Pavilion Corp., officials said, who were designated developers for a parcel in Park Square.

The money, which represents 29 percent of the total budget for the project, is indefinitely on hold while the Pavilion Corp. struggles to finance its project, city official said last week.

"The South End piece is in good shape and ready to begin as soon as we receive the linkage money," said one official, who asked not to be identified. "It's a very iffy situtation right now."

The project would build 52 units of market-rate housing, 16 units for moderate-income persons and a 36-unit "transitional housing" program for homeless mothers and their children.

The program would provide the mothers with day care, counseling and job training, with the eventual goal of re-establishing them in apartments of their own.

"This is very important," said Rita Gallo, a longtime South End activist and member of the center's advisory board. "There are a lot of women and children out there who need help. Transitional housing is important."

"There is some frustration," Gallo said. "There is always frustration to some degree when something like this happens. We're still very optimistic."

With the linkage money uncertain, officials said they are considering turning to "alternate sources" of financing for the project. One official said the idea of "de-linking" the center from the Pavilion project is even being considered.

"We may be better off on our own," one member of the center's board of directors said. "We could take out a mortgage on the parcel, but we do not know how realistic that is yet."

Luckily, officials said, few of the construction funds for the project are coming from state programs, which are being crippled by budget cuts. Some of the $1.5 million for the center's programs, however, was to come from state money, which may be in jeopardy, officials said.

Developers get day-care preview

BOSTON Redevelopment Authority officials last week showed off the new City Hall day-care center to a captive audience: Midtown developers who are required to add day care to their projects.

A half-dozen major developers were on hand for the unveiling of the new center. Several, including skeptics like Abbey Group partner David Epstein, were reportedly impressed.

"It was the kind of environment that would be something we would like to emulate," said Epstein, whose company is developing a office building at 45 Provence St. "They did a terrific job."

The message to the developers at the meeting was clear, BRA Midtown Director Kristin McCormack said: If the city can do it, then so can you.

"One of the many reasons the mayor wanted to build [the day-care center] at City Hall was to set an example," McCormack said. "The mayor felt it was important to set a standard, to show the developers we're willing to do no less than what we're asking them to do."

Epstein, who said he is now "excited" about the day-care component of his project, nevertheless added that some developers are bound to resist the city's move toward zoning day-care into big projects.

"That is because it is very expensive," Epstein said. "It puts a real burden ... on the developer."

"Some people are just up against the wall," he added. "But it's important also that developers recognize that day care can be an asset to their own development, that it allows them to provide an amenity that another building can't provide."

Though day care is at a premium for working parents, Epstein said, he doubts that developers will be able to charge tenants a premium for it and recover some of the money they will lose in rentable space.

"Today's market is just too competitive," he said. "People are not going to be willing to pay a premium for it. Instead, it will just be a bonus, like having good location or being next to a subway station."

— RALPH RANALLI

Housing plan runs afoul of economy

From preceding page

Elliott & Co. Inc., has been working to find a buyer for 150 Boylston St., one of the three parcels in the project. Michael Ryan, a vice-president of Ryan Elliott, said a couple of buyers are interested in

litigation would be filed soon over the failed attempt to buy the city-owned parcel, held by the George White Fund, a city-administered trust. Joseph Mulligan Jr., city corporation counsel, refused to comment on the matter.

site next to the Four Seasons.

The BRA's kit announcing the competition to develop the site emphasized the building of more homes and boosting the number of residents in Midtown as a top agency goal for the project.

and exterior of all equipment, container refrigerators.

● Franklin Hous Kneeland, St.: Hea scheduled concer cleaning the entire and sealing all wood faces in the food prep cleaning the walls a the sink and the floor the sink; maintaining of the use of chemica tizer for the sink; pro hand cleanser dis and sanitary hand c towels for the handwa cility; properly st clean utensils; pro storing cleaning e ment; providing cov refuse container; cl the floor, walls, c shelves and fan gu the walk-in cooler; ing food products c floor of the walk-in providing thermome refrigerator; cleani terior of refrigerato viding covered cont for open food pr cleaning the stairw the storage baseme moving unused an necessary items fro basement; elevating products off the floor basement; cleaning tire basement floor; ing the floor and w the employee rest and providing a c waste receptacle the

● Four Seas Restau Tyler St.: Hearing to a nuisance" schedul cerning: keeping th alley adjacent to t mises free and clea debris; and prov proper storage of products.

● Matteo's Restaur Hanover St.: He scheduled for Mond cerning: repairing the kitchen wall an ing open wood are placing badly da cutting boards; pr lightshields for

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